



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
JESSAMINE COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 2001

**EDWARD B. HATCHETT, JR.
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EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE JESSAMINE COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2001

The Auditor of Public Accounts has completed the Jessamine County Fiscal Court audit for fiscal year ended June 30, 2001. We have issued an unqualified opinion on the financial statements taken as a whole. Based upon the audit work performed, the financial statements are presented fairly in all material respects.

Financial Condition:

Fund balances increased by \$180,954 from the prior fiscal year, resulting in a cash surplus of \$6,749,436 as of June 30, 2001. Revenues increased by \$3,531,617 from the prior year and disbursements increased by \$3,985,952.

Debt Obligations:

Capital lease principal agreements totaled \$1,481,000 as of June 30, 2001. Future principal and interest payments of \$2,148,807 are needed to meet these obligations. The administrative office of the courts will provide \$1,801,600 for principal and interest.

Deposits:

The fiscal court's deposits were insured and collateralized by bank securities or bonds.

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EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable William Neal Cassity, Jessamine County Judge/Executive
Members of the Jessamine County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Jessamine County, Kentucky, as of June 30, 2001, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Jessamine County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Jessamine County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and laws of Kentucky. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years. The modified cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising primarily from cash transactions as of June 30, 2001, of Jessamine County, Kentucky, and the revenues received and expenditures paid for the year then ended, in conformity with the modified cash basis of accounting described above.

To the People of Kentucky
Honorable Paul E. Patton, Governor
T. Kevin Flanery, Secretary
Finance and Administration Cabinet
Dana Mayton, Secretary, Revenue Cabinet
Honorable William Neal Cassity, Jessamine County Judge/Executive
Members of the Jessamine County Fiscal Court

In accordance with Government Auditing Standards, we have also issued our report dated September 4, 2001 on our consideration of Jessamine County, Kentucky's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Jessamine County, Kentucky. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
September 4, 2001

JESSAMINE COUNTY OFFICIALS

Fiscal Year Ended June 30, 2001

Fiscal Court Members:

William Neal Cassity	County Judge/Executive
Bobby Day Wilson	Magistrate
Jimmy Wells	Magistrate
John Nickell	Magistrate
Terry Meckstroth	Magistrate
Steve Gayheart	Magistrate
George Dean	Magistrate

Other Elected Officials:

Howard Downing	County Attorney
Frank Hubbard	Jailer
Eva L. McDaniel	County Clerk
Doug Fain	Circuit Court Clerk
Joe Walker	Sheriff
Robert Thompson	Property Valuation Administrator
Joseph S. Northup	Coroner

Appointed Personnel:

Dorothy Ward	County Treasurer
Judy Miller	Occupational Tax Collector

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STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

JESSAMINE COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS
June 30, 2001

Assets and Other ResourcesAssetsGeneral Fund Type

General Fund:		
Cash	\$ 3,801,157	
Investments	2,500,000	
Road and Bridge Fund:		
Cash	56,410	
Jail Fund:		
Cash	54,490	
Local Government Economic Assistance Fund:		
Cash	223,209	
Amount Due From General Fund (Note 9)	16,410	
Kentucky Association of Counties Leasing Trust		
Jessamine County Courthouse Annex Fund:		
Acquisition Account	9,689	
Sinking Account	10,825	
Revolving Benefits Account - Cash	<u>107,264</u>	\$ 6,779,454

Special Revenue Fund Type

Emergency Services Fund:		
Cash		93,656

Other ResourcesGeneral Fund Type

General Fund:		
Amounts to be Provided in Future Years from Administrative		
Office of the Courts and Fiscal Court for Kentucky		
Association of Counties Leasing Trust Agreement		<u>1,460,486</u>
Total Assets and Other Resources		<u>\$ 8,333,596</u>

The accompanying notes are an integral part of the financial statements.

JESSAMINE COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 2001
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund Types

General Fund:

Kentucky Association of Counties Leasing Trust		
Agreement - Principal (Note 4)	\$	1,481,000
Amount Due To LGEA Fund (Note 9)		16,410
Revolving Benefits Account - Cash		107,264

Fund Balances

Unreserved:

General Fund Type

General Fund	\$	6,301,157	
Road and Bridge Fund		56,410	
Jail Fund		54,490	
Local Government Economic Assistance Fund		223,209	6,635,266

Special Revenue Fund Type

Emergency Services Fund			<u>93,656</u>
Total Liabilities and Fund Balances	\$	<u>8,333,596</u>	

The accompanying notes are an integral part of the financial statements.

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STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

JESSAMINE COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 2001

	<u>General Fund Types</u>			
	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Schedule of Operating Revenue	\$ 11,213,414	\$ 8,689,203	\$ 684,068	\$ 915,495
Transfers In	2,009,291		360,000	325,000
Borrowed Money	250,000	250,000		
Kentucky Advance Revenue Program	8,068,900	8,068,900		
Total Cash Receipts	<u>\$ 21,541,605</u>	<u>\$ 17,008,103</u>	<u>\$ 1,044,068</u>	<u>\$ 1,240,495</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 10,898,511	\$ 6,474,670	\$ 1,051,865	\$ 1,229,844
Schedule of KACo Leasing Trust/ Jessamine County Courthouse Annex Fund Expenditures	133,949			
Transfers Out	2,009,291	2,009,291		
Borrowed Money Repaid	250,000	250,000		
Kentucky Advance Revenue Program Repaid	8,068,900	8,068,900		
Total Cash Disbursements	<u>\$ 21,360,651</u>	<u>\$ 16,802,861</u>	<u>\$ 1,051,865</u>	<u>\$ 1,229,844</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 180,954	\$ 205,242	\$ (7,797)	\$ 10,651
Cash Balance - July 1, 2000	6,568,482	6,095,915	64,207	43,839
Cash Balance - June 30, 2001*	<u>\$ 6,749,436</u>	<u>\$ 6,301,157</u>	<u>\$ 56,410</u>	<u>\$ 54,490</u>

* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

JESSAMINE COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
 AND CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 2001
 (Continued)

General Fund Types			Special Revenue Fund Type
Local Government Economic Assistance Fund	KACo Leasing Trust/Jessamine County Courthouse Annex Fund		Emergency Services Fund
	Acquisition Account	Sinking Account	
\$ 215,935	\$ 1,934	\$ 113,976	\$ 592,803 1,324,291
<u>\$ 215,935</u>	<u>\$ 1,934</u>	<u>\$ 113,976</u>	<u>\$ 1,917,094</u>
\$ 268,279	\$	\$	\$ 1,873,853
	30,790	103,159	
<u>\$ 268,279</u>	<u>\$ 30,790</u>	<u>\$ 103,159</u>	<u>\$ 1,873,853</u>
\$ (52,344) 275,553	\$ (28,856) 38,545	\$ 10,817 8	\$ 43,241 50,415
<u>\$ 223,209</u>	<u>\$ 9,689</u>	<u>\$ 10,825</u>	<u>\$ 93,656</u>

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Jessamine County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the KACo Leasing Trust/Jessamine County Courthouse Annex Fund as part of the reporting entity.

Additional - Jessamine County Constitutional Elected Officials

- Circuit Court Clerk
- County Attorney
- County Clerk
- County Sheriff
- Property Valuation Administrator

The Kentucky constitution provides for election of the above officials from the geographic area constituting Jessamine County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Jessamine County Fiscal Court's Fund Types, a definition of each and county funds included within each fund type are listed below.

1) General Fund Type

General Fund Type accounts for all financial resources except those required to be accounted for in another fund type. The Jessamine County General Fund Type includes the following county funds: General Fund, Road and Bridge Fund, Jail Fund, Local Government Economic Assistance Fund (LGEA), and the KACo Leasing Trust/Jessamine County Courthouse Annex Fund.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2) Special Revenue Fund Type

Special Revenue Fund Type accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for the specified purpose. The Emergency Services Fund of the Fiscal Court is reported as a Special Revenue Fund Type.

C. Basis of Accounting

For all fund types, the county utilizes a modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under this basis of accounting, assets, liabilities, and related revenues and expenditures are recorded when they result from cash transactions, with a few exceptions. This modified cash basis recognizes revenues when received, except for the recording of long-term receivables and deferred revenue. Expenditures are recognized when paid, except for the recording of long-term obligations and amounts to be provided in future years.

D. Legal Compliance - Budget

The Jessamine County budget is adopted on a cash basis of accounting and according to the laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

A formal budget is not adopted for the KACo Leasing Trust/Jessamine County Courthouse Annex Fund. In accordance with the Use and Sublease Agreement between the Administrative Office of the Courts (AOC) and the Jessamine County Fiscal Court, AOC is required to make its semi-annual use allowance directly to the Trustee's Sinking Account. The balance of the County's lease requirement is budgeted as transfers to the Sinking Account in the General Fund Type. The Department of Local Government does not require this fund to be budgeted.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

F. Related Organizations

A related organization is an entity for which a primary government is not financially accountable. It does not impose will or have a financial benefit or burden relationship, even if the primary government appoints a voting majority of the related organization's governing board. Based on these criteria, the following are considered related organizations of Jessamine County Fiscal Court: Jessamine Water District No. 1 and Jessamine/South Elkhorn Water District.

G. Joint Ventures

A legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility is a joint venture.

The county, in conjunction with the City of Nicholasville, has created Nicholasville/Jessamine County Parks and Recreation, whose purpose is to provide, maintain and conduct public parks, playgrounds, and recreation centers. Nicholasville/Jessamine County Parks and Recreation is composed of five members appointed by the County Judge/Executive, with the approval of the fiscal court and five members appointed by the Mayor, with the approval of the city council. The county contributed \$200,000 to Nicholasville/Jessamine County Parks and Recreation for the year ended June 30, 2001. The county and city jointly own the Nicholasville/Jessamine County Parks and Recreation property.

H. Jointly Governed Organizations

The Jessamine County Economic Development Authority (JCEDA), whose purpose is to acquire and develop industrial sites and plants for the community, is a joint board of the county and city. The County Judge/Executive with approval of the fiscal court appoints three members and the Mayor with the approval of the city council appoints three members. The county has no equity interest. The county made no contributions to the JCEDA for the year ended June 30, 2001.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system, which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 6.34 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 2001, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

Note 4. Capital Lease-Purchase Agreements

On July 3, 1997, the Jessamine County Fiscal Court entered into a 20-year leasing agreement with Kentucky Association of Counties Leasing Trust for the Jessamine County Courthouse Annex. Principal payments are due annually by January 20.

Fiscal Year Ending June 30	Principal Payment	Interest Payment	Total Payment	Less AOC Rental Amount*	Net Amount Due From County
2002	\$ 62,000	\$ 71,829	\$ 133,829	\$ (112,600)	\$ 21,229
2003	65,000	68,707	133,707	(112,600)	21,107
2004	68,000	65,437	133,437	(112,600)	20,837
2005	72,000	61,998	133,998	(112,600)	21,398
2006	76,000	58,362	134,362	(112,600)	21,762
2007-17	1,138,000	341,474	1,479,474	(1,238,600)	240,874
Totals	<u>\$ 1,481,000</u>	<u>\$ 667,807</u>	<u>\$ 2,148,807</u>	<u>\$ (1,801,600)</u>	<u>\$ 347,207</u>

JESSAMINE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2001
 (Continued)

In accordance with a sublease agreement between the Administrative Office of the Courts (AOC) and the Jessamine Fiscal Court dated July 3, 1997, AOC committed itself to participate in providing part of the cost of constructing a courthouse annex through use allowance payments of \$112,600 per fiscal year. Any interest earned on the Sinking Account where AOC deposits its use allowance payment until the Trustee applies them towards the lease requirements will reduce the net amount due from Jessamine County.

Note 5. Lease-Purchase Agreements

Description	Principal Balance 7/1/2000	Principal Paid	Interest Paid	Principal Balance 6/30/2001
Six (6) 2000 Crown Victorias - Sheriff's Departments	\$ 124,824	\$ 41,608	\$ 2,546	\$ 83,216

Note 6. Jessamine County Economic Development Authority/Hayden Steel Services, Inc. Lease-Purchase Agreement

During the fiscal year ended June 30, 2000, Jessamine County received \$698,263 of Community Development Block Grant money which was passed through to the Jessamine County Economic Development Authority for purchasing industrial equipment to be leased to Hayden Steel Services, Inc. Pursuant to a lease-purchase agreement dated June 29, 1999 between Jessamine County Economic Development Authority (subrecipient of the County's federal funds), and Hayden Steel Services, Inc., Hayden Steel Services, Inc. is to repay the entire \$698,263 through monthly rental payments to the Jessamine County Economic Development Authority at a rate of 2.0% per annum over a period of five years. As of June 30, 2001, Hayden Steel Services was in substantial compliance with the agreement. Outstanding principal as of June 30, 2001 was \$530,183.

Note 7. Insurance

For the fiscal year ended June 30, 2001, Jessamine County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

JESSAMINE COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 2001
(Continued)

Note 8. Jail Canteen Fund

The canteen operations are authorized pursuant to KRS 441.135(1)(2), which allows the jailer to sell snacks, sodas, and other items to inmates. The profits generated from the sale of those items are to be used for the benefit or recreation of the inmates. KRS 68.210 requires the jailer to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the Jail Canteen. Technical Audit Bulletins 93-002 and 97-001 provide additional accounting and expenditure guidance for acceptable jail canteen operations.

During the Fiscal Year Ending June 30, 2001, the Jessamine County Jail Canteen received \$123,826, and expended \$129,606. The ending balance of the Jail Canteen Fund as of June 30, 2001 was \$79,919. All profit expenditures were for the benefit and/or recreation of the inmates.

Note 9. LGEA Fund

The County deposited \$16,410 in federal PRIDE funds in the General Fund in July 2001. The grant was a reimbursement grant and the expenditures were made from the LGEA Fund in the prior year. The reimbursement money should have been deposited into the LGEA Fund. We recommended to the County Judge and Treasurer that the funds be transferred from the General Fund to the LGEA Fund.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

JESSAMINE COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 2001

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
<u>General Fund Type</u>			
General Fund	\$ 13,980,850	\$ 8,805,113	\$ (5,175,737)
Road and Bridge Fund	695,856	684,068	(11,788)
Jail Fund	809,525	915,495	105,970
Local Government Economic Assistance Fund	217,500	215,935	(1,565)
<u>Special Revenue Fund Type</u>			
Emergency Services Fund	990,425	592,803	(397,622)
Totals	<u>\$ 16,694,156</u>	<u>\$ 11,213,414</u>	<u>\$ (5,480,742)</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 16,694,156
Add: Budgeted Prior Year Surplus			6,521,441
Less: Other Financing Uses			<u>(309,000)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures			<u>\$ 22,906,597</u>

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SCHEDULE OF OPERATING REVENUE

JESSAMINE COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 2001

	Totals (Memorandum Only)	GOVERNMENTAL FUND TYPES	
		General Fund Type	Special Revenue Fund Type
REVENUE:			
Taxes	\$ 5,689,751	\$ 5,689,751	\$
In Lieu Tax Payments	2,258	2,258	
Excess Fees	602,759	602,759	
License and Permits	162,802	162,802	
Intergovernmental Revenues	2,665,156	2,660,623	4,533
Charges for Services	745,716	164,546	581,170
Miscellaneous Revenues	529,547	525,732	3,815
Interest Earned	815,425	812,140	3,285
Total Operating Revenue	<u>\$ 11,213,414</u>	<u>\$ 10,620,611</u>	<u>\$ 592,803</u>

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

JESSAMINE COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 2001

<u>Expenditure Categories</u>	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
General Government	\$ 4,037,406	\$ 2,164,779	\$ 1,872,627
Protection to Persons and Property	1,297,257	1,237,970	59,287
General Health and Sanitation	1,063,259	830,885	232,374
Social Services	175,538	132,801	42,737
Recreation and Culture	3,349,930	1,013,022	2,336,908
Roads	1,645,980	1,175,857	470,123
Other Transportation Facilities and Service	26,000	21,000	5,000
Debt Service	169,191	184,091	(14,900)
Capital Projects	6,826,979	681,836	6,145,143
Administration	1,843,312	1,582,417	260,895
 Total Operating Budget - All General Fund Types	 \$ 20,434,852	 \$ 9,024,658	 \$ 11,410,194
 Other Financing Uses:			
Kentucky Association of Counties			
Leasing Trust Agreement-			
Principal	59,000		59,000
Kentucky Advanced Revenue			
Program - Principal	8,068,900	8,068,900	
Note Payable - Principal	250,000	250,000	
 TOTAL BUDGET - ALL GENERAL FUND TYPES	 \$ 28,812,752	 \$ 17,343,558	 \$ 11,469,194

JESSAMINE COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 2001
 (Continued)

<u>SPECIAL REVENUE FUND TYPE</u>			
<u>Expenditure Categories</u>	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
Protection to Persons and Property	\$ 2,276,556	\$ 1,681,516	\$ 595,040
Administration	<u>195,189</u>	<u>192,337</u>	<u>2,852</u>
 TOTAL BUDGET - SPECIAL REVENUE FUND TYPE	 \$ 2,471,745	 \$ 1,873,853	 \$ 597,892

SCHEDULE OF KACO LEASING TRUST/JESSAMNE
COUNTY COURTHOUSE ANNEX FUND EXPENDITURES

JESSAMINE COUNTY
 SCHEDULE OF KACO LEASING TRUST/JESSAMINE
COUNTY COURTHOUSE ANNEX FUND EXPENDITURES

Fiscal Year Ended June 30, 2001

<u>Expenditure Items</u>	<u>Acquisition Account</u>	<u>Sinking Account</u>
Cash Management Fees	\$ 87	\$ 59
KACo Leasing Trust Agreement-		
Principal		59,000
Interest	30,703	44,100
	<hr/>	<hr/>
Totals	<u>\$ 30,790</u>	<u>\$ 103,159</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



EDWARD B. HATCHETT, JR.
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky

Honorable Paul E. Patton, Governor

T. Kevin Flanery, Secretary

Finance and Administration Cabinet

Dana Mayton, Secretary, Revenue Cabinet

Honorable William Neal Cassity, Jessamine County Judge/Executive

Members of the Jessamine County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Jessamine County, Kentucky, as of and for the year ended June 30, 2001, and have issued our report thereon dated September 4, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Jessamine County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jessamine County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be, and should not be, used by anyone other than the specified party.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
September 4, 2001

CERTIFICATION OF COMPLIANCE -
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM

JESSAMINE COUNTY FISCAL COURT

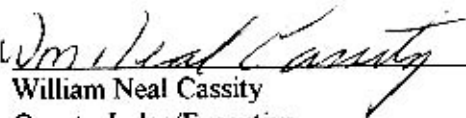
Fiscal Year Ended

Appendix A

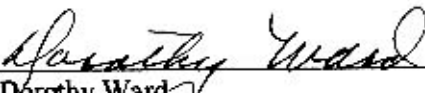
CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
JESSAMINE COUNTY FISCAL COURT

Fiscal Year Ended June 30, 2001

The Jessamine County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



William Neal Cassity
County Judge/Executive



Dorothy Ward
County Treasurer